

Secretary of Health and Human Resources=
CHILD SUPPORT GUIDELINE REVIEW PANEL
730 East Broad Street B Management Services Unit
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Minutes
July 1, 2002 Meeting

The meeting of the 2001-2002 Secretary's Child Support Guideline Review Panel was held on July 1, 2002 at 9:00 a.m. in the lower level of the Theater Row Building, Richmond, VA. Mr. Joseph Crane, Chairman, called the meeting to order, welcomed the members and guests, and noted that Mr. Bill Brownfield, Staff Director, would serve the Panel as Secretary.

The following members were present for the meeting: Ms. Amy Atkinson, Ms. Cathy Burch, Ms. Ann Brakke Campfield, Mr. Maxie Cannon, Chairman Joseph Crane, Mr. Lawrence Diehl, Senator Fred Quayle, Mr. Murray Steinberg, and Judge Patricia West. Support staff present included Bill Brownfield, Bob Owen and Angela Thomas. Panel members Cynthia Ewing, Stephanie Sulmer, Judge Ellen White and Delegate Vivian Watts did not attend.

Following a short delay for late arriving members, the Chair declared a quorum present.

Mr. Crane noted the minutes of the June 4, 2002 meeting of the Panel had been distributed earlier via mail, and asked the Secretary to present them. Following an amendment to the minutes related to seeking advice from the Attorney General, Judge West moved the minutes be approved as amended. The motion was approved unanimously.

Robert Raymond, Certified Public Accountant, addressed the Panel as previously requested, presenting several summaries of potential federal and state income tax benefits as related to child support obligations (copy attached.)

Note is made of four additional handouts provided at this meeting and attached to these minutes:

1. North Carolina Child Support Guidelines;
2. IRS Frequently Asked Tax Questions and Answers: Child Tax Credit;
3. Parameters of the "Schedule of Monthly Basic Child Support Obligations;" and,
4. Definition of Child Support Proposal For Discussion by Murray Steinberg Triennial Review Panel.

Senator Quayle moved that Dr. Rodgers, the economist with the College of William and Mary, who has been retained to develop a proposed new Child Support Schedule of Monthly Obligations (Schedule), be advised to develop the schedule with a self-support reserve at the federal poverty level for a single individual. The motion was approved unanimously.

Judge West moved that Dr. Rodgers include in the development of the proposed schedule the tax benefits received by the custodial parent, or as appropriate, develop a separate “adjustment” chart or set of charts considering the tax benefits to the custodial parent’s gross income. The motion passed with one nay vote.

Mr. Steinberg moved the inclusion of the child day care allowance into the proposed schedule. The motion failed for lack of a second.

Mr. Diehl moved to adopt the North Carolina model statute relating to childcare credit. The motion passed with one nay vote. Prior to approval of these minutes at the August 1, 2002 meeting, the Panel approved the attached proposed legislative language to implement this motion; see Attachment.

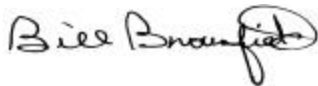
Senator Quayle moved the Panel maintain the current definition of “child support” being used. The motion was approved with one nay vote.

Mr. Diehl moved the Panel recommend that “gross income” as defined in Section § 20-108.2 (B) in the *Code of Virginia* shall not include income from second jobs or self-employment where such income is a good-faith effort to discharge child support arrearages, and shall not be considered a basis for a “change in circumstances” requiring a review of the monthly child support obligation. Draft language will be considered by the Panel at a later date.

Mr. Steinberg moved the parameters or makeup of the Schedule of Monthly Child Support Obligations be included in the Code of Virginia as a “prelude” or an explanation of the Schedule. The motion was approved with two nay votes.

At 1:35 p.m., due to members who had to leave, a quorum was no longer present. Those present were reminded the next meeting is scheduled for Thursday, August 1, 2002 at the Theater Row Building in Richmond, Lower Level Room #2, with another meeting scheduled for Monday, August 19, 2002 at the same site.

The Chair adjourned the meeting at 1:40 PM.



Bill Brownfield, Secretary

These minutes were approved by the Panel at their August 1, 2002 meeting.

Attachment

Code of Virginia, § 20-108.2 (C) shall be amended as follows:

- C. For purposes of this section, “gross income” means income from all sources, and shall include, but not be limited to, income from salaries, wages, commissions, royalties, bonuses, dividends, severance pay, pensions, interest, trust income, capital gains, social security benefits except as listed below, workers’ compensation benefits, veterans’ benefits, spousal support rental income, gifts, prizes or awards.
- Gross income shall not include income received by the payor parent from secondary employment income, whether from an additional job, from self-employment, or from overtime income not previously included in “gross income,” where such income has been received in a good faith effort by the payor to discharge a child support arrearage established by a court or administrative order relating to the child or children who are subject to the proceeding and such parent is actually paying the arrearage in accordance with the terms of the order. In such event, such secondary income, or the cessation of such income upon the payment of the arrearage, shall not be the basis for material change in circumstances upon which a modification of child support may be based.